

Division of Consumer Affairs

News Release

TENNESSEE SETTLES MISLEADING AD CHARGES WITH OFFICE DEPOT, STAPLES

For Immediate Release
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The Tennessee Attorney General's Office and Tennessee Division of Consumer Affairs as part of a multi-state effort, are warning Tennessee businesses not to advertise products at "zero interest" with no conditions attached unless they are prepared to sell a product at no interest with no strings attached.

The State has just signed settlement agreements with Office Depot and Staples, two major office product suppliers with stores throughout the state, over misleading advertising charges. The State alleges that Office Depot and Staples advertised "zero interest" without clearly disclosing certain requirements in their ads.

The multi-state investigation found that companies which offer "zero-interest" financing often fail to disclose all of the conditions of the program. For example, companies have advertised "zero interest for six months" but if the consumer carries a balance beyond the six-month period, interest is charged from the original date of purchase. In some cases, these financing programs are limited to specific brand name products and/or minimum purchase amounts which had not been adequately disclosed in advertisements.

The settlement with Office Depot and Staples, which follow similar settlements with Tandy, Montgomery Ward's, Circuit City, CompUSA and Best Buy, are aimed at providing more complete and conspicuous disclosures of these terms to consumers.

"We appreciate Office Depot and Staples for their cooperation and agreement to advertise responsibly in the future," Tennessee Attorney General John Knox Walkup said. "We are aware that there are many legitimate zero interest ads. However, these settlements should serve as a warning to those few businesses who are still not complying with the State's laws prohibiting misleading advertising."

"Zero percent financing deals have been a trend for some time now," said Mark Williams, Director of the Tennessee Division of Consumer Affairs, "which is why it is so important for consumers to be fully informed about this kind of financing before they make a decision to sign a contract. We are pleased that Office Depot and Staples have now realized the significance of full disclosures in their advertising."

Office Depot and Staples have admitted to no wrongdoing. As part of the settlement, the companies have agreed to pay a total of \$180,000.00 to cover the cost of the investigations in each state. In addition, the companies must give a clear explanation of the terms of "zero interest" financing programs and to fully explain what consumers must do to qualify for these programs.

Below is a list of the states participating and the stores involved in settlements in each:

Office Depot States: Staples States:

	Arizona
Arkansas	
	California
California	
	Florida
Florida	
	Massachusetts
Iowa	
	New Jersey
New Jersey	
	Tennessee
New Mexico	
	Vermont
Tennessee	
	Washington
Texas	
Washington	
Wisconsin	

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